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1 transcripts. We know it was effectively -- well, we know  
2 it was -- I don't want to use the word effectively because  
3 I can't evaluate that. That's an evaluative term.

4 It was communicated to the claim environment  
5 in 2001. It's a rarely used exclusion. So we don't know  
6 how often it was reiterated in the claim environment. We  
7 do know that three individuals had a different view -- four  
8 individuals had a different view of that exclusion at the  
9 time of Ms. Shackelford's claim.

10 So either they were instructed on it and  
11 didn't get it or they were not instructed on it when their  
12 tenure started at the company.

13 I can't answer that, but I can tell you that  
14 the four people -- Robles, Webb, Johnson and Lindsey -- had  
15 the consistent view that was inconsistent with the  
16 historical perspective.

17 **Q. So we can agree that every individual in the**  
18 **claims environment that had a role in handing Ms.**  
19 **Shackelford's claim did not know and understand American**  
20 **Income's historical means of interpreting the drug use**  
21 **exclusion, true?**

22 MS. TERRY: Object to the form.

23 THE WITNESS: Let me preface -- yes, but let  
24 me preface it with this.

25 What we have been talking about generally

1 about effective communication, kind of the process the  
2 claim, is more in a generalized sense, not specific as  
3 we're now talking.

4 It's understandable why an exclusion that  
5 occurs so rarely doesn't get communicated on a regular  
6 basis to the claim environment as what you would call an  
7 implementation.

8 So that's not what I was talking about when  
9 we were talking more generically about implementation claim  
10 processes.

11 What I'm talking about is levels of  
12 authority. How do you process, who do you go to, to  
13 process, things like that. That's what the industry  
14 standard requires. Claim specific, it's variable.

15 Having said that, those four individuals were  
16 out of sync with what the historical perspective was.

17 BY MR. ROWE:

18 Q. Acting as an expert witness in a case as in a  
19 lawyer -- or acting as an expert witness in an insurance  
20 case as a practitioner of the law, as a lawyer, can  
21 sometimes be tricky, correct?

22 MS. TERRY: Object to the form.

23 THE WITNESS: I don't know.

24 BY MR. ROWE:

25 Q. Well -- and I'm not --

1 Q. -- right?

2 And that standard was not met here, true?

3 A. Well, in three instances, not only by industry  
4 standard, by express -- by the actual process itself that  
5 had been adopted, there was supposed to be communication  
6 from the POS to the claim environment of some form to  
7 indicate that there was an issue or a problem or what the  
8 substance of the conversation was from Ms. Shackelford.

9 Q. An insurance company must know and understand the  
10 law of the jurisdictions in which it sells policies as it  
11 relates to the policies that they sell, true?

12 A. In a general way, but not -- we can agree to  
13 disagree on how specific that needs to be.

14 Because, as an example, insurance companies  
15 don't know every case that comes out. They don't monitor  
16 every single case that comes out of the court in their  
17 jurisdiction.

18 They don't do those kinds of things, and  
19 they're not required to do those kind of things. And it's  
20 not industry standard, but they can't ignore information  
21 that they have about the law.

22 And generally speaking, they need to have an  
23 understanding of the law relating to their policies, but it  
24 doesn't get like you or I as a lawyer might know. That's  
25 why they call lawyers in the jurisdiction and say, what

1 about this, what about that.

2 Q. Sure.

3 And they call lawyers because the industry  
4 standard is that an insurance company has a knowledge and  
5 understanding of the law as it pertains to the policies  
6 that they're selling in the jurisdictions in which they  
7 sell these policies --

8 A. In a --

9 Q. -- true?

10 A. -- general sense, that is true, but it is not  
11 specific enough to be, I know of all of these cases. I'm  
12 going to research all of these cases. That typically  
13 doesn't happen in real time.

14 Q. Sure.

15 There's a reasonableness component involved  
16 in all of these rules --

17 A. Yes.

18 Q. -- right?

19 And an insurance company will not and no  
20 entity will ever know the minutia of every aspect of law  
21 that pertains to their business.

22 But there's a reasonable expectation that  
23 they know the important aspects of the law and the  
24 principles underlying the law, correct?

25 A. Yes.